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DA 21-742

Released: June 23, 2021

WIRELINE COMPETITION BUREAU ANNOUNCES THE AVAILABILITY OF UNUSED FUNDS TO INCREASE RURAL HEALTH CARE PROGRAM FUNDING FOR FUNDING YEAR 2021

WC Docket No. 02-60

In June 2018, the Commission adopted rules to address increasing demand in the Rural Health Care (RHC) Program.¹ Specifically, the Commission: (1) increased the annual RHC Program funding cap;² (2) provided for the annual RHC Program funding cap to be adjusted for inflation;³ and (3) established a process to carry-forward unused funds from past funding years for use in future funding years.⁴ The Commission also directed the Wireline Competition Bureau (Bureau) to announce a specific amount of unused funds from prior funding years to be carried forward to increase available funding for future funding years.⁵ In August 2019, the Commission clarified that the Bureau must determine the proportion of unused funding available in consultation with the Office of the Managing Director.⁶

The Universal Service Administrative Company (USAC) projects that, as of March 31, 2021, \$379.97 million in unused funds is available for use in future funding years beginning in funding year 2021.⁷ Pursuant to the Commission's direction and section 54.619(a)(4)-(5) of the Commission's rules, the Bureau, in consultation with the Office of the Managing Director, directs USAC to carry forward up to \$379.97 million in unused funds from prior funding years to the extent necessary to satisfy funding year 2021 RHC Program demand.⁸

¹ Promoting Telehealth in Rural America, WC Docket No. 17-310, Report and Order, 33 FCC Rcd 6574 (2018) (RHC Program Funding Cap Order).

² See id. at 6578-82, paras. 10-19; see also 47 CFR § 54.619(a).

³ See RHC Program Funding Cap Order, 33 FCC Rcd at 6582-84, paras. 20-23; see also 47 CFR § 54.619(a)(1)-(2).

⁴ See RHC Program Funding Cap Order, 33 FCC Rcd at 6584-85, paras. 24-28; see also 47 CFR § 54.619(a)(4)-(5).

⁵ RHC Program Funding Cap Order, 33 FCC Rcd at 6584-85, para. 27 ("The Bureau will announce the availability and amount of carryover funds during the second quarter of the calendar year."); 47 CFR § 54.619(a)(5).

⁶ Promoting Telehealth in Rural America, WC Docket 17-310, Report and Order, 34 FCC Rcd 7335, 7402, para. 142 (2019); 47 CFR § 54.619(a)(5).

⁷ Letter from Mark Sweeney, Vice President, Rural Health Care Division, USAC, to Ryan Palmer, Chief, Telecommunication Access Policy Division, FCC Wireline Competition Bureau, and Bryan Boyle, Deputy Chief, Telecommunication Access Policy Division, FCC Wireline Competition Bureau, WC Docket 02-60 (filed June 22, 2021). The amount of unused funding may fluctuate slightly due to the resolution of pending funding requests and appeals. If the actual amount of unused funds is lower than the estimated amount, USAC is directed to carry forward the lower amount.

⁸ 47 CFR § 54.619(a)(4)-(5). The funding year 2021 application filing window was extended from April 1, 2021 to June 1, 2021 to minimize the ongoing disruptions caused by the COVID-19 pandemic, the emergence of the more contagious new variants, and the burden placed on health care providers to administer COVID-19 testing and (continued....)

The RHC Program funding cap for funding year 2021 is \$612,016,418.9 The internal cap on multi-year commitments and upfront payments under the Healthcare Connect Fund Program is \$154,532,400.10 These funding year 2021 caps represent a 1.2% inflation-adjusted increase to the RHC Program funding cap and the internal cap on multi-year commitments and upfront payments from funding year 2020.11

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⁹ Wireline Competition Bureau Announces E-Rate and RHC Programs' Inflation-Based Caps for Funding Year 2021, CC Docket No. 02-6, WC Docket No. 02-60, Public Notice, DA 21-332, 2021 WL 1116509, at *1 (WCB Mar. 19, 2021). The 2021 funding year runs from July 1, 2021 to June 30, 2022.

¹⁰ *Id*.

¹¹ *Id*.